

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 1417-01
Bill No.: SB 265
Subject: Education, Higher; Higher Education Department; Education, Elementary and Secondary
Type: Original
Date: March 22, 2011

Bill Summary: This proposal creates the Advanced Placement Incentive Grant.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2012	FY 2013	FY 2014
General Revenue	\$0 to (Unknown)	\$0 to (Unknown)	\$0 to (Unknown)
Total Estimated Net Effect on General Revenue Fund	\$0 to (Unknown)	\$0 to (Unknown)	\$0 to (Unknown)

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2012	FY 2013	FY 2014
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 6 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2012	FY 2013	FY 2014
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2012	FY 2013	FY 2014
Total Estimated Net Effect on FTE	0	0	0

☐ Estimated Total Net Effect on All funds expected to exceed \$100,000 savings or (cost).

☐ Estimated Net Effect on General Revenue Fund expected to exceed \$100,000 (cost).

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2012	FY 2013	FY 2014
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Section 173.1350 Advanced Placement Incentive Grant

Officials at the **Department of Higher Education (DHE)** assume while there is data available regarding how many students take particular exams in a given year and their scores, there is no data available on the number of students who have taken and passed two of the relevant AP exams. There is anecdotal evidence that the number of students who take and pass more than one exam is a small percentage of total test-takers. Thus no discreet student population can be identified in order to calculate an expected cost without several tenuous assumptions. This estimate attempts to make reasonable assumptions in order to arrive at a figure with the potential for some relevance to reality.

It is known that for the 2010 academic year, 3,337 Missouri public high school seniors passed an AP test in a math or science subject area with a score of at least 3. It is assumed that 1/5, or 667 of these had previously taken and passed an exam in a different math or science subject area. As a proxy for estimating how many of these student will attend a Missouri postsecondary institution, the percentage of Bright Flight-eligible students that attend such institutions, about 58%, was applied to arrive at 387 students. Again, looking at Bright Flight as a proxy, less than 1% of Bright Flight eligible students attend a Missouri community college and would thus be potentially eligible for A+. No adjustment is made for this factor. To estimate how many students would be eligible for the AP grant because they also receive an Access Missouri award, it was assumed that otherwise qualified AP students are distributed according to income in the same manner as the overall Access Missouri recipient population. As eligibility for Access Missouri is predicated on having an expected family contribution (EFC) of \$14,000 or less, the assumption is made that 42% of otherwise eligible students would not receive an Access Missouri award because their EFC exceeds \$14,000 and therefore they would not be eligible for the AP grant.

As these grants are non-renewable, the costs will not compound in the second and third years. It is assumed that the number of eligible students will increase by 2% annually as students react to the incentive being available. Calculations for this section can be summarized as follows:

3,337 - Public high school seniors passing an AP math/science exam

x 0.2

667 - Students who have taken and passed two relevant exams

x 0.58

387 - Students who have passed two relevant exams and attend college in Missouri

x 0.42

162 – Students who have passed two exams, attended in Missouri and received A+ or Access

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ASSUMPTION (continued)

x \$500

\$81,000 – estimated cost (year 1)

x 1.02

\$82,620 – estimated cost (year 2)

x 1.02

\$84,272 – estimated cost (year 3)

Officials at the **Department of Elementary and Secondary Education (DESE)** assume DESE was able to obtain the following information regarding the number of exams taken with scores of 3, 4, or 5 on last year's exams; however, DESE does not have the student-level information to provide the names of students. DESE assumes no fiscal impact on their agency as a result of this proposal.

Biology	554
Calculus AB	1,224
Calculus BC	585
Chemistry	435
Environmental Science	198
Physics B	310
Physics C: Elec & Mag	106
Physics C: Mechanics	233
Statistics	<u>507</u>
	4,152

In addition the following information was included if computer science might be considered a math course:

Computer Science A	86
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Officials at the **University of Missouri** assume this proposal creates the advanced placement incentive grant for certain students, is anticipated to have a small positive impact on the University. The scholarships would provide incentives for students to attend an institution of higher education and will result in increased access to the university. It is not possible to estimate how many students would take advantage of the scholarship and attend UM, so therefore it is not possible to quantify the impact.

Officials at the **Linn State Technical College** and **Missouri Southern State University** assume an unknown impact.

ASSUMPTION (continued)

Officials at the **Metropolitan Community College** assume a positive yet unknown impact on the College.

Officials at the **Lincoln University, Missouri State University, Missouri Western State University, Parkway School District, St. Louis Community College, St. Louis Public Schools** and the **University of Central Missouri** assume that there is no fiscal impact from this proposal.

Oversight assumes this proposal does not designate a funding source for the advanced placement incentive grants. Oversight for the purpose of the fiscal note is showing the funding as the General Revenue Fund. It is unclear how many students would be eligible for this grant so Oversight is showing the grant as \$0 to Unknown cost for the General Revenue Fund.

<u>FISCAL IMPACT - State Government</u>	FY 2012 (10 Mo.)	FY 2013	FY 2014
GENERAL REVENUE			
<u>Cost</u> - Advanced placement grants	<u>\$0 to</u> <u>(Unknown)</u>	<u>\$0 to</u> <u>(Unknown)</u>	<u>\$0 to</u> <u>(Unknown)</u>
ESTIMATED NET EFFECT ON GENERAL REVENUE	<u>\$0 to</u> <u>(Unknown)</u>	<u>\$0 to</u> <u>(Unknown)</u>	<u>\$0 to</u> <u>(Unknown)</u>
<u>FISCAL IMPACT - Local Government</u>	FY 2012 (10 Mo.)	FY 2013	FY 2014
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

FISCAL DESCRIPTION

This act creates the "Advanced Placement Incentive Grant." Any student who receives an Access Missouri award or receives funds under the A+ Schools Program and has also received a score of

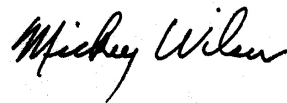
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3 or higher on two or more Advanced Placement tests in math or science will receive a \$500 grant. In addition, a student must have earned the AP scores while attending a Missouri public high school.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Department of Elementary and Secondary Education
Department of Higher Education
Lincoln University
Linn State Technical College
Metropolitan Community College
Missouri Southern State University
Missouri State University
Missouri Western State University
Parkway School District
St. Louis Community College
St. Louis Public Schools
University of Central Missouri
University of Missouri

A handwritten signature in black ink that reads "Mickey Wilson". The signature is fluid and cursive, with the first name "Mickey" and last name "Wilson" clearly distinguishable.

Mickey Wilson, CPA
Director
March 22, 2011